



U.S. AIR FORCE

Policy Letter

Digest

Policy, News and Issues from Headquarters U.S. Air Force

June 2002

Roche lauds total force performance

“The performance of the Total Force has been terrific,” said Secretary of the Air Force James G. Roche at the Defense Forecasters International Air and Space Symposium May 22.

“We do face, I think, a major management problem now of dealing with mobilization and Stop Loss, where we’ve got to try to reallocate forces and work assiduously to take people who have been mobilized and introduce them back to their civilian lives in a sensible manner before they wind up goofing up their jobs and everything else.

“We’ve had two passes of looking for where we have a lot of deep bench strength so we can release people from those fields.

We’re going to do that again in June. We would like to get this under control as soon as we can.

“We agreed with the secretary of defense, who points out that, yes, we have to reallocate assets—because, for instance, we need more folks in intelligence and force protection. To do that, if possible, is to look to see if we can reallocate by having our active duty forces *not* do things they are doing now—but look to our colleagues in the Guard and Reserve, or to contract out.

“That is a management problem that is taking a lot of our time. It’s worth doing right because, if we do it wrong, it sends a signal to every airman that we are not the stewards of the Air Force that we ought to be.

CSAF survey results show improvement

Results from the 2002 Chief of Staff of the Air Force Organization Climate Survey were sent to commanders May 24. More than 279,000 Air Force active duty and civilians spoke their mind about issues affecting their day-to-day work.

Results of the survey, which ran Jan. 22 to March 8, were briefed to Gen. John P. Jumper, Air Force chief of staff, earlier.

“This survey provides me and leaders at all levels in the chain of command critical information on how we are doing in our organizations,” General Jumper said. “We plan to use these results to make our working environments better for all Air Force people.”

Survey results went up in almost all areas in comparison to the 1999 survey. The highest-rated area was unit performance outcomes where 93 percent agreed they are getting the mission done and doing it well. The second highest-rated area was jobs at 91 percent, which indicates people find their jobs motivating, important, interesting and challenging.

Only 72 percent of the respondents agreed about the adequacy of resources. Officials believe this is an indication that respondents are working hard, but think they do not have enough people to get the mission done.

“Commanders ... are urged to share the results with troops through feedback sessions, and translate the information into action,” said Lori Marcum, survey team leader. She said a primary goal of the survey was to make sure commanders at all levels are provided the necessary tools to take advantage of this valuable information.

Further analysis showed higher ratings in all outcomes for units in which leaders provided feedback to their people; however, providing feedback alone does not create higher results, said officials. They said data indicates leaders who listened and used ideas and suggestions tended to have higher performing units, more satisfied people and people who are willing to go above and beyond the job without official rewards and recognition.

Roche lists total force challenges

“As we continue our transformation, support our airmen, reinvigorate the military industrial base, and become an even more efficient team, our vision remains a Total Air and Space Force, providing global reconnaissance and strike (including troops and their support) across the full spectrum of operations,” said Air Force Secretary James G. Roche before the U.S. Senate Appropriations Subcommittee on Defense May 15.

“Our more pressing and significant challenges include:

- Providing persistent intelligence, surveillance and reconnaissance across a critical section of a distant country, in all weather scenarios, 24 hours a day, seven days a week, for up to a year;

- Developing the ability to provide near-instantaneous ground attack from the air — precisely, and with a wide variety of strike systems — by working closely with troops on the ground equipped with special sensors and communication links; as well as with a portfolio of off-board sensors and platforms, including unmanned aerial vehicles;

- Defining and pursuing the optimum space architecture to fully integrate space assets into global strike operations from the air, land and sea;

- Developing our role in Homeland Defense and arriving at a reasonable, sustainable state of roles and responsibilities among our active Air Force, Air National Guard and Air Force Reserve;

- Completing and implementing our long-term strategy for air logistics centers; and,

- Modernizing the tanker and ISR platforms we will need in the years ahead. And here I am particularly concerned that we have been demanding so much for so long of our aged 707 air frames, that we may soon

find ourselves in the same predicament as the proverbial King of medieval England — ‘for want of a horseshoe nail.’

“We cannot wait until we are on a par with potential enemies in the realm of air superiority — especially with respect to our tanker and attack capabilities.

“As Gen. John P. Jumper, is fond of saying, ‘When we go to war, we never want to have a fair fight.’

“It is fundamental to the defense of this nation that we must own the skies and maintain the capability to operate freely in any air space we require.

“We are the guardians of the higher ground, and we cannot afford to allow any adversary to control the skies over our nation or our soldiers, Marines, sailors, or airmen operating throughout the globe.

“A recent Rand study observed that no American soldier has been killed in combat by enemy air attack since 1953 — a compelling statistic that speaks to both the superiority of air power and the extent to which we, as a nation, must maintain that kind of dominance.

“This is the crux of the reason we so fervently seek to acquire the F-22 aircraft — and in large numbers: we can’t accept the loss of air superiority, and the F-22 will enable our pilots to strike in all weather, night, day, anti-aircraft, anti-access, and emerging threat scenarios.

“Our other focus areas include the development of concepts and strategies to seamlessly integrate our manned and unmanned systems, as well as on retaining our people—especially those in mid-career, who will benefit from the provisions in this budget for improved family housing, pay and facilities.”

Force protection factors in new military construction

By Maj. Gen. Earnest O. Robbins II, Air Force Civil Engineer

The events of Sept. 11 have compounded our force protection challenges, having driven Air Force installations all over the globe to heightened security postures.

These increased postures are still in effect and will likely continue in the foreseeable future. As a result, we are seeing an increase in force protection-related construction requirements.

In the Air Force’s fiscal 2003 military

construction budget request, approximately \$30 million of our overall \$730 million request is targeted at force protection requirements.

Of this \$30 million, \$23 million will pay for a project overseas to relocate personnel housing from the installation perimeter to a more secure site on the interior.

The remaining \$7 million in our budget request is necessary to comply with the

Office of the Secretary of Defense force protection construction standards, where they are necessary. For example, this money will be used to pay for facility hardening and splinter protection, shatterproof glass, berms and barriers, structural collapse prevention, and internal blast deflection and protection.

In our experience, we have found that force protection considerations generally add around 3 percent to the cost of those projects being constructed in vulnerable locales.

In addition, each service recently provided OSD a list of additional requirements as part of the President's fiscal 2003 "cost of war" budget request.

For its part, the Air Force included approximately \$450 million in military construction, military family housing, and operations and maintenance funding to address force protection vulnerabilities and homeland security initiatives.

This \$450 million request is an addition to the \$730 million Air Force military construction request submitted in February as part of the fiscal 2003 President's Budget.

It includes projects to construct security fencing, realign roadways, install intrusion detection systems, as well as general facility hardening and protection projects.

Another key component of our force protection program is our ability to react to the use of weapons of mass destruction against Air Force installations at home and abroad.

Our "Weapons of Mass Destruction First Responder Program" is designed to help installation personnel who will be first on the scene at weapons of mass destruction incidents, including firefighters, medical staff, security forces, explosive ordnance disposal technicians and civil engineers.

The program will enable our installations to detect, assess, contain and perform limited recovery from a peacetime WMD terrorist incident involving biological, nuclear and

radiological, incendiary, chemical or explosive materials.

In fiscal 2002, we are investing \$22 million in this program, from funds included in the fiscal 2002 defense appropriation and funds made available after Sept. 11, in the fiscal 2002 Defense Emergency Response Fund.

Further, we have requested \$98 million in fiscal 2003 and have programmed another \$18 million across the 2004 to 2007 program years.

As our record will attest, the Air Force is taking force protection seriously.

Under long-term facility investment, our dormitory program goal is to eliminate our dorm room deficit and convert or replace our worst dormitories by 2009. We initiated this program in 1997 with the development of the Air Force Dormitory Master Plan.

This plan, which has since seen updates in 1999 and 2000, establishes our dormitory room requirements and our military construction investment priorities.

We currently have a 12,700-room deficit and 3,900 inadequate rooms. Thanks to consistent annual targeted investment by OSD and the Air Force, we are on track to eliminate our deficit and restore our inadequate rooms by 2009.

We manage our housing program investment in a similar manner, with the Air Force Family Housing Master Plan.

Our housing investment goal is to eliminate housing unit deficits and recapitalize our inadequate units by 2010.

We're meeting this goal with a combination of military construction and housing privatization initiatives.

We project that between now and 2010, we will recapitalize 39,700 units with military construction spending and an additional 2,900 units through private-sector financed investment.

We continue to analyze the feasibility of moving our housing goal forward to 2007, to be consistent with OSD. We're able to meet OSD's goal for almost 85 percent of our housing units.

Roche outlines industry concerns

"I am deeply concerned about the need our nation faces to reinvigorate our defense industry so it does not lose the advantages of competition, or the incentive to innovate," said Air Force Secretary James G. Roche at the Aerospace and Defense Investor Conference

in New York May 14.

"Over the past several years, our aerospace industry has undergone one wave of consolidation after another, from more than two-dozen leading contractors to a handful of giant firms, complemented by a few niche

companies,” he explained. “At the same time, our government was seduced by the siren song of Total Systems Procurement Responsibility into abrogating essential program management responsibilities that any effective monopsonist must bear. This is not what I would call a macro-environment conducive to innovation or long-term cost efficiencies.

“I’ve talked about the downside of industry consolidation for a number of years. The difference today is, now I am living with the consequences. With the size of today’s industry, the government has an obligation to think more strategically in terms of managing our defense industrial affairs.

“We must foster increased competition to ensure the long-term health of an industrial sector critical to our national security. Absent competition, there is little incentive for innovation over the long term.

“I am very worried about companies in this industry consolidating to the point where the Air Force will be stuck buying that which someone wants to produce, compared to being able to challenge the industry to come up with ideas that may lead to major breakthroughs in combat capabilities.

“I just don’t think the government can manage a monopoly, or an asymmetrical duopoly, and get innovation out of it. We simply do not have the right set of positive or negative incentives, including executive compensation that currently is tied more to stock price than program performance.

“Innovation will not survive in a scenario where we are left with only two choices — ‘Sears or Roebuck?’ And in a duopoly, what are the incentives governing the executives?

“Some people talk about the nature of competition and all the reasons we have to go to monopolies: it’s due to our inability to sustain the number of contractors we now have or it’s because “that’s just the marketplace.” That was part of the conventional wisdom of the 1990s, and like so much conventional wisdom, we’ve found that it was flat wrong.

“In the business of national security, the monopsonist not only has a right, but an obligation, to worry about the competitive dynamics of its supplier base in the long run. In most market segments, we now have monopolies or duopolies that serve a

monopsony. When I hear arguments about efficiencies gained from consolidation and cost cutting, my argument is: Fine, but you forget you are in a protected industry. We’re not going to let all of you go out of business. Period.

“We are never going to go buy Chinese-made radars or Russian airplanes. So let’s stop already with all of this pseudo-market economics that do not apply, even though your senior managers are compensated on levels comparable to executives at companies who must deal with the vagaries of an intensely competitive commercial environment.

“We have a clear and present obligation to ensure competition in order to preserve national security. Where we have competition, we have seen stunning results. Take the Joint Strike Fighter, for instance.

“That was a good case where two great fighter and two great radar houses went after each other to do their very best — and both produced rather dramatic technology. The fire control radar in the F-35 will be cheaper than either the electronic warfare system or the communications package. Why? Competition!

“After a year on this job, I am ever more convinced that the most direct way to drain innovation and cost savings out of programs is to deaden competitive pressures. Excessive consolidation, unfortunately, does just that.

“Take any organization in which people talk about all the consolidation savings by centralizing everything.

“I think the Communist Party of the Soviet Union made the best case for such an approach when Stalin unveiled the first five-year plan back in 1928. And up until the collapse of the Soviet Union, there were still academic papers which praised the central staff Gosplan approach to industrial affairs as the cheapest and smartest thing to do. So, while it may sound good in the short-term; in the long-term, it’s not. It never is, it never will be.

“Any approach that condones the formation of a monopoly in exchange for promised future savings constitutes a simplistic answer to a remarkably complex problem that will continually grow more acute.

“So we have learned, and hopefully not too late, the things we should not do:

“For example, a prime should not be the only influence in determining who is going to be around for the long term at the next tier, and make decisions based on who gave them the sweetest deal, not who did the best for the country. Total Systems Procurement Responsibility is dead! Furthermore, it was a misguided idea from its inception.

“We are working on several initiatives that I support and will continue to pursue:

- I would like to see expanded government involvement in subsystem competitions early in the process now overseen by prime contractors;

- To do this effectively, we need officers and civil servants with the training and expertise to make sure the government stays effectively engaged.

- Further, we need to turn our focus to the rival design teams that still reside in companies, and fund them to develop creative ideas to keep their skills sharp.

- We will be rigorous in reviews of mergers and acquisitions that would form either monopolies or foster vertical integration—when the company that produces major systems also makes key components that comprise the finished product.

- And in the case of program management in a consolidating industry, we are trying to get involved and spot troubles earlier; calling in the companies and visiting them; and we are encouraging them to spend more independent research and development monies.

“If the Air Force can begin to solve these issues, we will be well on our way to completing the transformation our service began years ago, and which our president and Secretary (of Defense Donald) Rumsfeld have envisioned for the future.

“As technology evolves through this century, we will see an increase in the use of emerging, transformational capabilities to protect our national security.

“This is why we remain dedicated to transforming our organizational structures, strategic principles, and operational systems. And we must learn to think differently.

“The challenges we face in defining and shaping the future of national security systems are formidable. But so are the opportunities.

“It is simply a matter of finding complex answers and solutions to these complex challenges and issues. We must have innovation, efficiency, sensible and responsive plans, and the continued dedication of talented and expert personnel.”

Surgeon general explains primary care optimization

Central to the Air Force Medical Service Population Health Plan is the re-engineering of our primary care services under primary care optimization, said Lt. Gen. Paul K. Carlton, Air Force Surgeon General in a statement to the U.S. House of Representatives Armed Services Subcommittee on Military Personnel April 10.

“Sixty-five of our 75 Air Force medical treatment facilities focus almost exclusively on offering primary care services. The goal of PCO is to vastly improve the efficiency, effectiveness and quality of care delivered through our primary care platform.

“An important strategy within PCO is to recapture care from the private sector so that all enrollees can benefit and also to better manage the total financial risk of our health care system.

“Efficiencies are gained by improving clinical business processes, by enhanced

partnerships with civilian and other federal healthcare partners, by effectively utilizing support staff skills, and through robust information management that supports evidence-based health care decision-making.

“Critical to PCO success is Primary Care Manager by Name, which provides patients with continuity of care and allows providers and their teams to better manage their practice by knowing who their patients are.

“Since we began our ‘Quick Start’ training for PCO two years ago, we have seen some important returns on investment. Where teams are fully staffed, they are performing exceptionally well, and with great patient and staff satisfaction.

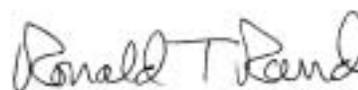
“Primary Care Manager by Name enrollment has been accomplished in 100 percent of our facilities. MTFs are proactively contacting patients regarding needed clinical

preventive services,” he said.

“Many other objective measurements continue to improve. Population health preventive measures are on a positive slope along with provider productivity. AFMS clinical quality measures, such as cervical cancer screening, breast cancer screening, and HbA1C annual testing for diabetics, are all above the 90 percent level for the Health Plan Employer Data and Information Set national measures in all our major commands.

There are very few health care organizations in the United States that can claim that type of preventive care success!

“As we continue to improve PCO, our next step will be to pursue specialty care optimization. We are reviewing a limited number of AFMS product lines associated with surgical specialties in larger, bedded facilities: general surgery, obstetrics/gynecology, orthopedics, ophthalmology, otolaryngology and anesthesia. As we implement our primary and specialty care optimization programs, the resourcing decisions arising from the work of various functional panels will have full visibility at all levels of our corporate structure to ensure the long view is the ultimate focus.”



RONALD T. RAND
Brigadier General, USAF
Director of Public Affairs

AFRP 35-3 06-02
June 2002

QUOTABLE QUOTE

“Some mistakenly view the F-22 as unnecessary simply based on the fact that we have done so well without it -- this logic is faulty. Preparing for yesterday’s threat leaves us vulnerable in the future; the F-22 ensures tomorrow’s warfighter can defeat the next generation of threat.”

Gen. John P. Jumper, Air Force Chief of Staff

Readers-per-copy ratio: one copy for every four active-duty officers, master sergeants and above, and GS-10 civilians and above. Distributed by Air Force News Service (AFNS); send your complete unit mailing address and the total number of copies required via e-mail to afnspub@afnews.af.mil. Mailed to Air Force retirees, who request it, using the correspondence address in the Retired Personnel Data System. Retired personnel: to change your correspondence address, send your name, grade, Social Security Number, former address and new address to DFAS-CL (ROB), P.O. Box 99191, Cleveland, OH 44199-1126 or call 1-800-321-1080.

To read Air Force Policy Letter Digest online, visit www.af.mil/lib/policy/

LOCAL REPRODUCTION AUTHORIZED

AFNEWS/NS
203 Norton Street
San Antonio TX 78226-1848

ADDRESS SERVICE REQUESTED

06/02

PRSRRT STD
US POSTAGE PAID
HOUSTON, TX
PERMIT NO. 11335

CURRENT POLICY INSIGHT FOR COMMANDERS
AND OTHER LEADERS, MANAGERS, SUPERVISORS

**IMMEDIATE ACTION
DISTRIBUTION**